TITLE: Organizational Change in a DO Division

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The Skunkworks

ORGANIZATIONAL CHANGE IN A DO DIVISION

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Before you read any further, stop for a moment. Think about your work. Why do you do what you do? Does what you do make any difference? Does what you do eventually show up in the bottom line? What is the bottom line? Do your customers care what your bottom line is? Are you producing for the sake of producing? What happens to your product? Are you clear about what your goals are, or are you throwing blunt darts in the dark? Do you work in a supportive environment? Do you feel sufficiently empowered to question instructions that are not clear or could take you and your office in the wrong direction? When was the last time you or your organization asked these questions? If you have not asked them for a while, why not? You spend more waking hours in the office than you do with your spouse, children, or significant others, and if you are part of the American cultural mainstream, you probably define yourself in terms of your job.

In the Near East and South Asia Division (NE) of CIA's Directorate of Operations (DO), a process called Skunkworks is used to involve *all* division personnel in finding answers to such questions. By working in partnership with the division leadership and employees, Skunkworks strives to increase the division's effectiveness.

The name Skunkworks originated with Kelly Johnson of Lockheed, whose Skunkworks designed the U-2 and SR-71 reconnaissance aircraft.

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Launching the Process

Skunkworks began with a formal contracting session with the then Chief of NE Division. We talked specifically about what Skunkworks had to offer, what support we needed from the division's management, and what products we would deliver. It was agreed that without a commitment to stay the course, efforts to bring about change could do more harm than good.

We started with a bite-size piece of the division, and talked to everyone in Headquarters. With help from a colleague in the DI who is engaged in similar work, we gave them a written survey that asked two basic questions: What makes it hard to work here, and what makes it easy to work here? Because organization change efforts typically take years, we were careful to temper expectations. We also were emphatic about getting people to think about how *they* were part of the problem and the solution. We fed all the data back to the survey participants and, after distilling the major issues, we published it throughout the office.

We went into this data-gathering and feedback process not knowing what to expect. The worst case scenario would have been rampant negativism and cynicism. Not one of the interviews devolved into unconstructive nit-picking. People participated with enthusiasm, and they left us with the general impression of a group persuaded of the importance of its mission with clear ideas of how to improve effectiveness.

The tough part was that many of the suggested improvements were "process" (how we do our job) versus "content" (what we do) suggestions. The DO is good at getting things done, but it is much less adept at tackling the messy, human questions of how to change the way we do things. After the data gathering, diagnosis, and feedback, the next step is usually action planning. The most effective way to plan action is to get supervisors to take their immediate subordinates off site to discuss the issues and ways to solve problems within the context of the work unit.

At this point, we ran into a brick wall. We simply could not get unit supervisors to confront issues head-on. This raised questions about managerial skills, the nature of supervisory jobs in the division, and the overall quality of communication within work units. In essence, the obstacle provided us with additional data, and the response to date is an in-house management training program tailored to our specific perceived needs. Our response to the managerial roadblock was to slice the data up into issues, instead of by work unit, and to engage everyone in the system in seeking solutions to the problems.

Midway through our process, the leadership of the division changed. We recontracted with the new division chief and his deputy, who had a clear sense of the division's mission and how to accomplish it. (b)(3)(n) . In the year since the new chief's arrival, we have worked to harness resources both inside and outside the division in pursuit of the mission.

Some Results

Because we are still in the initial phases of a multiyear program, results are still cast in terms of means, not ends. It will be some time before we expect to see measurable progress toward fulfilling NE's mission. With the encouragement and support of the division's leadership, however, Skunkworks has worked with a wide range of NE personnel to achieve the following initial results:

— The division leadership established a systematic program for focusing division resources on relevant collection challenges, and it has begun a multiyear project designed to sharpen dialogue between field stations and Headquarters and to breathe life into DO planning tools. (b)(3)(n)

— Incorporating suggestions from key players in the division, including chiefs of station, the division chief began an experiment that will try to focus collectors on strategic multiyear intelligence problems, (b)(3)(n)

— The deputy division chief is developing a division management and personnel strategy to cope with the new and changing intelligence challenges of the next 10

years, allowing us to do more with less. This strategy will be designed to support the overall division mission, and it will address personnel, training, financial resources, computers, and leadership.

— Problems with substantive and managerial skills have led to a series of in-house courses, some produced with the active and invaluable assistance of the (b)(3)(c)

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— Borrowing an idea from another division, a senior division desk officer is working full time on a program to increase the overall skills of Intelligence Analysts and Research Officers. (b)(3)(c)
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— The division chief has started his own "brown bag" lunches that anyone is welcome to attend. A group chief is having regular lunches to discuss survey issues raised in our data-gathering exercise.

— To help address the problem of communication (b)(3)(c) an advisory board was created with direct ac(b)(3)(n) vision leadership. Also, all division personnel at Headquarters met together for the first time in 40 years for a state of the division address shortly after the arrival of a new division chief.

— The division has surveyed computer use, including artificial intelligence and neural networks, in other agencies. Some of these uses proved to have direct applicability, with minor adjustments, to NE problems; efforts are under way to acquire and use proven programs.

— A division working team clarified the division's computer needs with the (b)(3)(c)

— One desk officer organized four joint sessions with the Office of Technical Services (OTS) to orient NE desk officers. (b)(3)(c)

Other Benefits

The Skunkworks experiment also has yielded other, perhaps more important results. One is the gradual establishment of a climate where people are comfortable with change and where everyone feels they have something to contribute. To that end, half of Skunkwork's effectiveness lies in the signals division management is sending downward—that it is open to questions, that constructive change is encouraged, and that ideas are welcome.

Another key, unforeseen benefit of Skunkworks is its ability to look out into the community for ideas that are adaptable to the division. It is, in essence, a clearing house for ideas. The training idea for Intelligence Analysts and Research Officers was not original; it was prompted by a similar arrangement in Latin American Division. Efforts under way to improve the career management system were derived in part from successful aspects of the system used in East Asia Division. A further implication of this ability to scan beyond NE's boundaries is the importance of bringing diverse resources to bear on NE's intelligence targets. It is safe to say

that the number and complexity of NE's targets are simply too much for the division alone. To succeed in the future, it is imperative that we foster and encourage relationships with others in the community.

Taking Stock

What are the general lessons learned thus far from Skunkworks?

— You have to have the strong support of your office leadership. Without it, you are wasting your time.

— Organizational change takes time; five years is a good rule of thumb. If you are not willing to persist, you risk doing more harm than good.

— Change is not neat; it often is a process of "muddling through."

— Expect resistance. No resistance is a form of resistance, and it could mean you are not working in the right area. And if you are worried about your popularity, you are miscast.

— Keep everyone informed about what is going on. Change causes anxiety, especially iñ a compartmented environment. Clear communication is essential to countering such anxiety.

— Use existing resources for change and flexibility within the Agency. There are trained professionals in the organization with experience in managing change.

— After you do your data gathering and diagnosis, pick a simple problem that is within the office management's power to solve, and solve it quickly. This demonstrates that you mean business, and it builds credibility.

— Make sure your managers fully understand their role in the process before proceeding. If necessary, give them active assistance by facilitating their work-group meetings.

Obstacles Ahead

Based on our 18 months of existence, we can identify some of the DO's major challenges. Like many commercial corporations, we are faced with the problem of doing more with less. The numbers of our targets and their complexity are increasing, while our resources will remain fixed for the foreseeable future. The way out of this jam is what Rosabeth Moss Kanter describes in her book *When Giants Learn to Dance* as "organizational synergy." Almost everything in our compartmented organizational fiber mitigates against synergy—we are not skilled team players, and we are xenophobic and competitive by nature. One sign of the times is a course taught by Leonard Greenhalgh at Dartmouth's Amos Tuck School of Business entitled "Executive Power and Negotiation." It is the most popular course in the school's history, and it emphasizes teamwork and negotiation instead of the "do it or else" management style we know so well. The challenge is to protect that which truly merits tight compartmentation while opening up to the wide range of resources around us.

Another of our problems is our historic disdain for any form of training. Given the changing nature of our world and our work in it, it is questionable whether we can continue to be effective when many of our officers and support personnel receive little or no training after their initial "basic training." This is a deep-seated cultural issue that will take time to change. Fortunately, there are clear signs from directorate and division leadership that changes are under way.

We do not do enough to prepare our "corporate" leaders. Many of our senior officers have "stovepipe" careers without sabbaticals or rotationals to give them wider vision or a sense of being part of the Agency as a whole. This hurts when the Executive Committee looks for Agency leaders from among the DO population. By contrast, people in other directorates are forced to interact vigorously with offices inside and outside the Agency throughout their careers. Again, there are signs that this is being examined closely and that steps are being taken to give some of our strong performers in the DO a corporate sense.

If you are asking yourself if all this is necessary, stop again and look around you. Are your intelligence problems changing? Is your place in your wider Agency environment changing? Are the young people working with and for you any different than your own peers? And what about the diversity of your work group? Change is going to occur, whether you manage it or not. Skunkworks is part of NE's decision to be a driver instead of a passenger.

The end game is a state of organizational being that might best be illustrated by an experience we have all had, the family dinner as described by Linda Schmitt, a quality consultant with the Telenet Communications Corporation in Reston:

> "Picture yourself as you were when you were eleven years old, and it is almost dinner time. Mom tells you to set the table. Well, this is not such a bad chore, and besides, you're hungry, so maybe you'll get fed faster if you get cracking with setting the table. So you go get the plates, napkins, and silverware and set the table. Everybody gets called to dinner, all the people in your family and maybe a neighbor kid or two. Everybody sits down. Maybe in your family a blessing is said. Then the food is passed and everyone helps themselves. But there is a problem. Mom forgot to tell you that you're having corn on the cob tonight. You forgot the butter. So you go to the fridge and get the butter. Then you have to get the salt and pepper. But the corn is too hot to handle, so then you have to get up again and find those little things you hold the corn with. By now your brother is saying how dumb you are that you forgot. You say, "Well, Mom didn't tell me we were having corn." Mom's saying, "Now, now, it's not your fault, I didn't tell you . . . " Eventually, you sit back down to eat, but all the enjoyment has gone out of the meal. You're bugged, and in addition you have one more reason never to speak to your brother again!"

Three key elements were missing in the situation described by Ms. Schmitt:

Leadership. That is Mom. She was busy, but she might have taken one more minute to go over with you what she was planning to serve and talk with you about what would be needed to set the table.

An empowered employee. That is the son or daughter, who is accustomed to having the authority and responsibility to stop before he or she starts, to find out what the desired results are, and to think through what to do. An empowered employee who is not afraid or intimidated to slow Mom down for a minute and get a good clear idea of what is expected.

A supportive environment. That is your brother, who, instead of picking on you, volunteers to go get the butter or offers to give you a hand.

That is the end game. A work environment with leadership, empowerment, and support. It takes everyone being consciously, deliberately, responsibly involved in the process of producing appropriate results. There are no bit players in this scenario; everyone is on the team. Now, go back to the opening paragraph, answer the questions for yourself, ask where you and your office are relative to the end game, and, if you need one, develop your own mechanism for change.

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